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Turkey

Oilseeds and Products

Soybean and products update

2008

Approved by:

Ralph Gifford, Agricultural Counselor
U.S. Embassy

Prepared by:

Ibrahim Sirtioglu, Ag. Marketing Specialist

Report Highlights:

According to trade sources, Turkish MY 2006 soybean and soybean meal imports reached 1.15 million tons and 310,000 tons respectively. Fuelled by a strong domestic economy the poultry industry showed vigorous growth and demand for feed was strong. Although availability of alternative financing reduced its use somewhat, the GSM-102 Export Credit Program remains very important to many importers of U.S. soybeans, and the delay in announcing the FY2008 program adversely affected purchases from the United States.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Ankara [TU1]
[TU]

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Production

MY 2007 Turkish soybean production remained about 20,000 MT despite the increase in domestic demand. In the Cukurova region, where 80 percent of local soybeans are grown, farmers can earn better returns on other crops such as cotton, corn and vegetables. Yields are high where soy is planted, as growers are likely to be technically proficient and the crop is usually irrigated.

Consumption

Domestic soybean and meal consumption continued to increase during MY 2006. The main reason was steady growth in poultry and egg production, increasing feed demand. The trend will continue.

In MY 2007, poultry production is expected to increase a further ten percent.

Egg production also has been increasing due both to increased domestic consumption and to increased exports. Domestic egg consumption showed significant increase in recent years, reaching an estimated 150 pieces per person annually in 2007 compared to 120 in 2004. The egg industry association is preparing a promotion campaign to increase consumption of eggs to 200 pieces per person per year. Egg exports reached USD 70 million in 2007 compared to USD 20 million in 2006. Neighboring countries are the main buyers of Turkish eggs, and northern Iraq is the leading market for Turkish egg exports.

Aquaculture also contributed to the growth in soybean meal and full fat-soya consumption, although to a lesser degree.

Although soybean and meal consumption is expected to increase in MY 2007, soy oil consumption is expected to decline. In MY 2006 a significant amount of soy oil reportedly was utilized in illegally-produced biodiesel. But in MY 2007 the GOT increased controls and utilization declined. Additionally, Turkish traders who were in search of alternatives imported large amount of canola seed from Russia and Ukraine and crushed it in place of soy.

Trade

Lack of official trade data and country of origin figures prevents creation of precise trade matrixes. According to unofficial sources, soybean imports during MY 2006 were 1,157,000 MT with the United States supplying 610,000 MT, more than half. Soybean meal imports during the same period reached 310,000 MT, of which about 130,000 MT was U.S. origin.

The increase in soybean and meal imports were caused not only by increased poultry feed demand but also by increased competition among the importers and their desire to have adequate stocks to enlarge their domestic market shares.

GSM-102 continues to play an important role for the exports of U.S. agricultural commodities to Turkey, for soybeans and products in particular. During FY 2007 Turkish importers utilized a total of USD 253 million of the program of which USD 31.3 million was used to import soybean and soybean meal. Late announcement of the program for FY 2008 has had an adverse affect on U.S. soybean purchases. Trade sources say two cargoes were switched from U.S. to South American origin, and one cargo was cancelled.

High soybean and meal prices and high shipping costs had little effect on demand, as drought in Turkey sharply reduced supplies and increased prices of alternatives such as sunflower. Continued scarcity of alternative commodities such as sunflower seed and meal and the recent announcement of FY 2008 GSM-102 should benefit US soybean exports to Turkey in the balance of MY 2007.

Turkish soybean oil imports during MY 2006 were 127,000 MT, all of which was South American origin. The Turkish government, to prevent competition with locally produced oils, namely sunflower seed oil, did not approve utilization of the 60,000 MT EU tariff rate quota during CY 2006 and CY 2007. High world soy oil prices are expected to adversely affect imports of soy oil during MY 2007.

Policy

According to the 2008 import regime, soybean and meal import duties remain at 10 percent and 13.5 percent respectively. In September 2007, in order to prevent inflation due to high world prices, the government lowered the soy oil import duty to 22 percent from 31.2 percent (see TU7056). Recently it was announced that the duty will return to 31.2 percent after 31 May 2008.

PSD Soybean

Turkey Oilseed, Soybean (1000 HA)(1000 MT)									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		09/2005	09/2005		09/2006	09/2006		09/2007	09/2007
Area Planted	8	0	8	8	0	8	7	0	7
Area Harvested	8	0	8	8	0	8	7	0	7
Beginning Stocks	160	0	160	120	0	120	130	0	180
Production	25	0	25	25	0	25	20	0	20
MY Imports	890	0	890	1000	0	1150	1100	0	1200
MY Imp. from U.S.	500	0	500	600	0	610	550	0	580
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	1075	0	1075	1145	0	1295	1250	0	1400
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	350	0	350	380	0	400	420	0	440
Food Use Dom. Cons.	20	0	20	15	0	15	15	0	15
Feed Waste Dom. Cons.	585	0	585	620	0	700	680	0	770
Total Dom. Cons.	955	0	955	1015	0	1115	1115	0	1225
Ending Stocks	120	0	120	130	0	180	140	0	175
Total Distribution	1075	0	1075	1145	0	1295	1255	0	1400
CY Imports	1129	0	1129	1016	0	1016	1200	0	1200
CY Imp. from U.S.	542	0	542	500	0	500	600	0	600

CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

PSD Soybean meal

Turkey Meal, Soybean (1000 MT)(PERCENT)									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		09/2005	09/2005		09/2006	09/2006		09/2007	09/2007
Crush	350	0	350	380	0	400	420	0	440
Extr. Rate, 999.9999	0.8	0	0.8	0.789474	0	0.8	0.809524	0	0.806818
Beginning Stocks	98	0	98	40	0	40	35	0	45
Production	280	0	280	300	0	320	340	0	355
MY Imports	232	0	232	250	0	310	270	0	350
MY Imp. from U.S.	130	0	130	150	0	150	170	0	140
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	610	0	610	590	0	670	645	0	750
MY Exports	15	0	15	15	0	15	15	0	15
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	15	0	15	10	0	10	10	0	10
Feed Waste Dom. Cons.	540	0	540	530	0	600	570	0	660
Total Dom. Cons.	555	0	555	540	0	610	580	0	670
Ending Stocks	40	0	40	35	0	45	50	0	65
Total Distribution	610	0	610	590	0	670	645	0	750
CY Imports	501	0	501	268	0	268	280	0	280
CY Imp. from U.S.	288	0	288	125	0	125	150	0	150
CY Exports	19	0	19	14	0	14	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	555		555	540	0	610	580	0	670

PSD Soy oil

Turkey Oil, Soybean (1000 MT)(PERCENT)									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market year Begin		09/2005	09/2005		09/2006	09/2006		09/2007	09/2007
Crush	350	0	350	380	0	400	420	0	420
Extr. Rate, 999.9999	0.171429	0	0.171429	0.171053	0	0.175	0.178571	0	0.178571
Beginning Stocks	0	0	0	20	0	20	10	0	10
Production	60	0	60	65	0	70	75	0	75
MY Imports	190	0	190	120	0	127	140	0	80
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	250	0	250	205	0	217	225	0	165
MY Exports	5	0	5	5	0	5	5	0	5
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	165	0	165	125	0	132	145	0	115
Food Use Dom. Cons.	40	0	40	35	0	40	30	0	20
Feed Waste Dom. Cons.	20	0	20	30	0	30	35	0	15
Total Dom. Cons.	225	0	225	190	0	202	210	0	150
Ending Stocks	20	0	20	10	0	10	10	0	10
Total Distribution	250	0	250	205	0	217	225	0	165
CY Imports	188	0	188	213	0	213	200	0	200
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	0	2	2	0	2	5	0	5
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0